

Department of Labor

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2007 Total App	FY 2007 Actual	FY 2008 Approp	FY 2009 Request	FY 2009 Gov Rec
BY PROGRAM					
Wage & Hour	578,200	552,300	584,400	633,300	642,200
Employment Services	7,000,000	9,300	0	7,444,100	444,100
Nursing Workforce Center	0	0	180,000	177,600	179,200
Total:	7,578,200	561,600	764,400	8,255,000	1,265,500
BY FUND CATEGORY					
General	567,600	542,300	753,800	800,300	810,800
Dedicated	7,010,600	19,300	10,600	454,700	454,700
Federal	0	0	0	7,000,000	0
Total:	7,578,200	561,600	764,400	8,255,000	1,265,500
Percent Change:		(92.6%)	36.1%	979.9%	65.6%
BY OBJECT OF EXPENDITURE					
Personnel Costs	416,600	371,800	551,300	810,800	825,800
Operating Expenditures	161,600	179,800	209,100	7,444,200	439,700
Capital Outlay	0	0	4,000	0	0
Trustee/Benefit	0	10,000	0	0	0
Lump Sum	7,000,000	0	0	0	0
Total:	7,578,200	561,600	764,400	8,255,000	1,265,500
Full-Time Positions (FTP)	7.00	7.00	9.00	11.66	11.66

Department Description

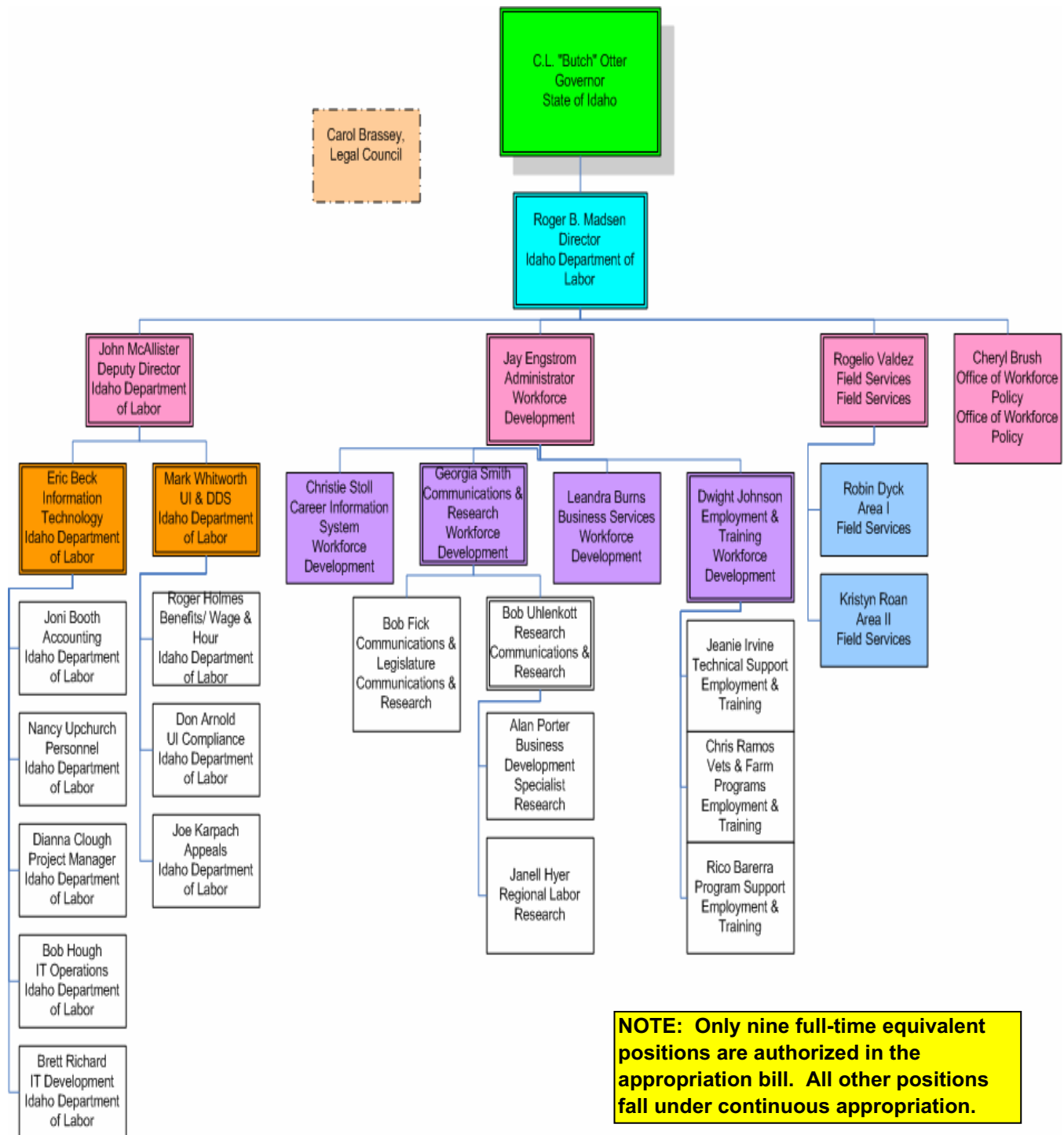
The Department of Labor is comprised of three programs: Wage and Hour, Employment Services, and the Nursing Workforce Center. Employment Services operates on a continuous appropriation of federal funds and funds generated by administration of the employment security law and unemployment insurance taxes. The Wage & Hour section administers Idaho laws regarding the payment of minimum wage and claims for unpaid wages. This program provides redress to citizens for wage and hour law violations, and dispenses information and assistance to employers on wage and hour law provisions.

The Nursing Workforce Center was created during the 2007 Legislative Session by House Bill 155. The program is charged with assisting the nursing workforce advisory council in planning for a qualified workforce necessary to meet the current and future nursing and health care needs of the state. Its main functions are conducting research activities, including the collection of valid and reliable data about Idaho's current nursing workforce and the forecasting of future needs, and providing expertise in workforce planning and project evaluation. The Idaho nursing workforce center shall report to the nursing workforce advisory council and shall be funded pursuant to state appropriation in addition to any funding from grants, federal moneys, donations or fund from any other sources.

Department of Labor

Organizational Chart

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Department of Labor

Agency Profile

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Sources of Funds**		FY 2007 Expenditures	Percent of Total	FY 2008 Appropriation	FY 2009 Request
1.	General Fund (0001-00) Individual income tax, corporate income tax, sales tax, cigarette tax, beer tax, wine tax, liquor surcharge, kilowatt hour tax, mine license tax, Treasurer's interest on investments of certain idle state funds, court fees and fines, insurance premium tax, sale of alcoholic beverage licenses, unclaimed property, articles of incorporation and uniform commercial code filing fees, estate and transfer tax, and other miscellaneous sources from various agency receipts.	\$ 542,300	96.56%	\$ 753,800	\$ 800,300
2.	Incumbent Worker Training Loan (0403-02) H873 of 2006 provided \$2 million for the Incumbent Worker Training Program which is one-time General Fund surplus designated for one-time economic development projects throughout the State.	\$ 5,500	0.98%	\$ -	\$ -
3.	REDIFIT (0403-03) H874 of 2006 provided \$5 million for the Rural Economic Development and Integrated Freight Transportation Revolving Loan Fund (REDIFIT) which is one-time General Fund surplus designated	\$ 3,800	0.68%	\$ -	\$ -
4.	Federal Grant (Reed Act) (0348-00) Federal funds received from U.S. Department of Labor. Federal funds were generated from federal unemployment tax act.	\$ -	0.00%	\$ -	\$ 7,000,000
5.	Miscellaneous Revenue (0349-00) Miscellaneous receipts, grants, contributions or donations, Workforce Development Training Fund moneys, and Idaho Career Information System fees.	\$ 10,000	1.78%	\$ 10,600	\$ 454,700
TOTAL		\$ 561,600	100.00%	\$ 764,400	\$ 8,255,000
** The Department of Labor is only appropriated for Wage and Hour and the Nursing Workforce Center.					

Continuous Funds		FY 2007 Expenditures	Percent of Total	FY 2008 Estimate	FY 2009 Estimate
1	Unemployment Penalty and Interest (0302-00)	\$697,700	0.4%	\$19,200	\$19,800
2	Employment Security Special Administration (0303-00)	\$4,625,100	2.7%	\$4,405,800	\$4,536,400
3	Federal Grant (0348-30)	\$10,131,800	5.8%	\$0	\$0
4	Labor Federal Funds (0348-31)	\$45,461,400	26.2%	\$56,554,600	\$63,701,600
5	Unemployment Compensation (0514-00)	\$109,061,500	63.0%	\$108,950,900	\$112,219,400
6	Workforce Development Training Fund (0305-00)	\$3,004,500	1.7%	\$6,059,100	\$6,240,900
7	Miscellaneous Revenue (0349-00)	\$243,900	0.1%	\$0	\$3,484,100
TOTAL		\$173,225,900	100%	\$175,989,600	\$190,202,200
This chart represents the Department of Labor's continuous funding. This money is expended in the Employment Services Program.					

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2008 Original Appropriation	9.00	753,800	764,400	9.00	753,800	764,400
Reappropriation	0.00	0	6,990,700	0.00	0	6,990,700
1. Incumbent Worker Training	0.46	0	1,074,900	0.00	0	0
Other Appropriation Adjustments	0.00	0	(1,689,200)	0.00	0	(2,683,700)
FY 2008 Total Appropriation	9.46	753,800	7,140,800	9.00	753,800	5,071,400
Non-Cognizable Funds and Transfers	0.00	0	0	0.00	0	0
FY 2008 Estimated Expenditures	9.46	753,800	7,140,800	9.00	753,800	5,071,400
Removal of One-Time Expenditures	(0.46)	(4,000)	(6,380,400)	0.00	(4,000)	(4,311,000)
Base Adjustments	(1.50)	0	0	(1.50)	0	0
FY 2009 Base	7.50	749,800	760,400	7.50	749,800	760,400
Benefit Costs	0.00	17,700	17,700	0.00	17,100	17,100
Inflationary Adjustments	0.00	4,500	4,500	0.00	0	0
Statewide Cost Allocation	0.00	(600)	(600)	0.00	(600)	(600)
Change in Employee Compensation	0.00	3,900	3,900	0.00	19,500	19,500
FY 2009 Program Maintenance	7.50	775,300	785,900	7.50	785,800	796,400
1. Reed Act	0.00	0	7,000,000	0.00	0	0
2. Transfer CIS from PTE	4.00	0	444,100	4.00	0	444,100
3. Online Claim Filing System	0.16	25,000	25,000	0.16	25,000	25,000
FY 2009 Total	11.66	800,300	8,255,000	11.66	810,800	1,265,500
Change from Original Appropriation	2.66	46,500	7,490,600	2.66	57,000	501,100
% Change from Original Appropriation		6.2%	979.9%		7.6%	65.6%

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2008 Original Appropriation	9.00	753,800	10,600	0	764,400
Reappropriation					
Employment Services					
The following were two year appropriations - \$1,994,500 for HB 873 the Incumbent Worker Training Revolving Loan Fund and \$4,996,200 for HB 874 the Rural Economic Development/Integrated Freight Revolving Loan (REDIFIT).					
Agency Request	0.00	0	6,990,700	0	6,990,700
Governor's Recommendation	0.00	0	6,990,700	0	6,990,700
1. Incumbent Worker Training					
Employment Services					
Transfer the sum of \$994,500, plus accrued interest of \$80,400, from Incumbent Worker Training Revolving Loan Fund (H873) and renaming it "Incumbent Worker Training Fund." The Incumbent Worker Training Revolving Loan fund was originally a two-year, \$2,000,000 appropriation for FY07 and was part of the Economic Development Package from the 2006 Legislative session. However, \$1,000,000 was transferred to the Business and Jobs Development fund for FY08 (S1228).					
Agency Request	0.46	0	1,074,900	0	1,074,900
Not recommended by the Governor.					
Governor's Recommendation	0.00	0	0	0	0
Other Appropriation Adjustments					
Employment Services					
This decision unit reflects other adjustments associated with the split from the Department of Commerce: 1) Accept \$4,295,000 which will bring in the balance of the Rural Broadband Development fund from the Department of Commerce to the Department of Labor. 2) Remove \$4,996,200 which will send the balance of REDIFIT from the Department of Labor to the Department of Commerce. 3) Remove \$1,000,000 which will send the balance of the Incumbent Worker Training Fund in Labor to the Business and Jobs Development fund in the Department of Commerce.					
Agency Request	0.00	0	(1,689,200)	0	(1,689,200)
Governor's Recommendation	0.00	0	(2,683,700)	0	(2,683,700)
FY 2008 Total Appropriation					
Agency Request	9.46	753,800	6,387,000	0	7,140,800
Governor's Recommendation	9.00	753,800	4,317,600	0	5,071,400
Non-Cognizable Funds and Transfers					
This decision unit reflects a transfer of \$89,400 from personnel costs to operating expenditures as the majority of the work will be accomplished through contracts with universities and hospitals throughout the state. These funds were originally appropriated to the Nursing Workforce Center.					
Agency Request	0.00	0	0	0	0
Governor's Recommendation	0.00	0	0	0	0
FY 2008 Estimated Expenditures					
Agency Request	9.46	753,800	6,387,000	0	7,140,800
Governor's Recommendation	9.00	753,800	4,317,600	0	5,071,400
Removal of One-Time Expenditures					
Remove funding provided for one-time items.					
Agency Request	(0.46)	(4,000)	(6,376,400)	0	(6,380,400)
Governor's Recommendation	0.00	(4,000)	(4,307,000)	0	(4,311,000)
Base Adjustments					
Requests a base reduction of FTP because the majority of the work will be accomplished through contracts with various universities and hospitals throughout the state. This was originally appropriated for the Nursing Workforce Center.					
Agency Request	(1.50)	0	0	0	0
Governor's Recommendation	(1.50)	0	0	0	0
FY 2009 Base					
Agency Request	7.50	749,800	10,600	0	760,400
Governor's Recommendation	7.50	749,800	10,600	0	760,400

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Benefit Costs					
Reflects \$2,075 per position or a 29% increase in employer-paid health insurance premiums from \$7,125 to \$9,200 per year. This increase is artificially inflated since the rates have been frozen for the last two years, with increases being covered from reserves.					
Agency Request	0.00	17,700	0	0	17,700
<i>The Governor recommends funding the employer increase in health insurance, and does not remove the funding for their PERSI rate increase that was included in the request. Recently, the PERSI Board voted not to increase the contribution rate for the upcoming fiscal year.</i>					
Governor's Recommendation	0.00	17,100	0	0	17,100
Inflationary Adjustments					
This inflationary adjustment is arrived at by subtracting one-time funding and statewide allocation plan costs from the base and calculating a customized increase for all remaining operating costs. This is a customized 2.76% increase over base operating expenditures for professional services.					
Agency Request	0.00	4,500	0	0	4,500
<i>Inflationary increases are provided only for contractual obligations such as leased space costs. Other inflationary requests are not recommended.</i>					
Governor's Recommendation	0.00	0	0	0	0
Statewide Cost Allocation					
This decision unit includes adjustments for services provided by state agencies as follows: a \$1,000 reduction for Attorney General fees; a \$100 increase for risk management costs; a \$400 increase for Controller's fees; and a \$100 reduction for State Treasurer fees.					
Agency Request	0.00	(600)	0	0	(600)
Governor's Recommendation	0.00	(600)	0	0	(600)
Change in Employee Compensation					
Agencies were instructed to input a CEC based on a 1% calculator.					
Agency Request	0.00	3,900	0	0	3,900
<i>The Governor recommends a compensation increase of 5% to be distributed based on merit.</i>					
Governor's Recommendation	0.00	19,500	0	0	19,500
FY 2009 Program Maintenance					
Agency Request	7.50	775,300	10,600	0	785,900
Governor's Recommendation	7.50	785,800	10,600	0	796,400

1. Reed Act

Employment Services

The Department of Labor requests authorization to expend \$7 million in federal Reed Act funds for the administration of Idaho's Unemployment Insurance and Employment Service programs over the next two years. This will offset the recent cuts in the state's federal UI grants. [Analyst Note: These funds are not appropriated by the Legislature but the Department does need Legislative authorization to expend the monies for this purpose. This authorization will require a separate section in the Department's appropriation bill].

Agency Request	0.00	0	0	7,000,000	7,000,000
<i>Not recommended by the Governor.</i>					
Governor's Recommendation	0.00	0	0	0	0

2. Transfer CIS from PTE

Employment Services

Moves the Career Information System from Professional Technical Education to the Department of Labor. The Department has been helping fund the program. This decision unit represents a transfer of 4.0 FTP from Professional Technical Education and the discontinuation of General Fund support. CIS provides career information to over 230 schools and state agencies developing training plans for clients and advising clients of careers in Idaho.

Agency Request	4.00	0	444,100	0	444,100
Governor's Recommendation	4.00	0	444,100	0	444,100

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
3. Online Claim Filing System					Wage and Hour
This decision unit requests the one-time transfer of 0.16 FTP from the continuously appropriated side of Employment Services to develop an online claims system. This online claim filing system will be utilized by people with unpaid wages and will allow faster processing of the actual claims. The agency states claims resolution has decreased from 49 days to 26 days because of the implementation of a new claim tracking system and the agency anticipates this online service will help process claims even more efficiently.					
Agency Request	0.16	25,000	0	0	25,000
Governor's Recommendation	0.16	25,000	0	0	25,000
FY 2009 Total					
Agency Request	11.66	800,300	454,700	7,000,000	8,255,000
Governor's Recommendation	11.66	810,800	454,700	0	1,265,500
Agency Request					
Change from Original App	2.66	46,500	444,100	7,000,000	7,490,600
% Change from Original App	29.6%	6.2%	4,189.6%		979.9%
Governor's Recommendation					
Change from Original App	2.66	57,000	444,100	0	501,100
% Change from Original App	29.6%	7.6%	4,189.6%		65.6%